

NEW APPLICATION ORIGINAL

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2	BEFORE THE ARIZONA CORPORATION COMMISSION
3	WILLIAM MUNDELL CHAIRMAN
4	JIM IRVIN
5	COMMISSIONER
6	MARK SPITZER COMMISSIONER
7	DOCKET NO. T-03365 A-01-0072
8	APPLICATION OF OPTEL (ARIZONA)) TELECOM, INC. TO DISCONTINUE) DOCKET NO
9	LOCAL EXCHANGE SERVICE AREA
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APPLICATION TO DISCONTINUE LOCAL EXCHANGE SERVICE AREA

OpTel (Arizona) Telecom, Inc. (the "Applicant") respectfully requests approval from the Arizona Corporation Commission (the "Commission") to discontinue local exchange service to affected customers within its certificated area. Applicant seeks this approval pursuant to A.A.C. R14-2-1107.

I. REASONS FOR PROPOSED DISCONTINUANCE OF SERVICE

Applicant holds a Certificate of Convenience and Necessity issued by the Corporation Commission pursuant to Decision No. 60780. On October 28, 1999, Applicant's parent, OpTel, Inc., and each of its wholly-owned subsidiaries, filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. The proceedings have been procedurally consolidated under the following docket: *In re: OpTel, Inc. et al.*, Case No. 99-3951 (SLR), United States Bankruptcy Court for the District of Delaware. Applicant has determined that it is no longer economically feasible to continue providing residential telephone services to the multi-family residential properties it serves in the greater Phoenix area (currently a total of approximately



218 telephone subscribers). Accordingly, Applicant requests this authorization to discontinue service.

II. NOTIFICATION OF DISCONTINUANCE TO AFFECTED CUSTOMERS

Through this Application, Applicant verifies that it has sent notification of the proposed discontinuance of service to all affected customers. A copy of that notification is attached as Exhibit A. Additionally, Applicant verifies that all affected customers will have access to an alternative local exchange service provider—namely, Qwest Corporation.

III. REFUND OF DEPOSITS

Applicant's Arizona tariff states: "When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded." This refund policy complies with A.A.C. R-14-2-503(b)(4). In the notification sent to all affected Customers, Applicant will advise customers that any refund due will be sent approximately 30 days after service has been discontinued.

IV. ALTERNATIVE LOCAL EXCHANGE SERVICE PROVIDERS

Applicant has confirmed that Qwest Corporation is providing local exchange service to customers in the geographic area affected by this discontinuance of service. Additionally, numerous other local exchange providers are certificated in the affected geographic area.

V. CONCLUSION

Applicant respectfully requests that, pursuant to A.A.C. R14-2-1107, the Commission authorize Applicant to discontinue service to all affected customers within its certificated area.

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RESPECTFULLY submitted this 22nd day of January, 2001.

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LEWIS and ROCA, LLP

-AND-

Scott V. Williams General Counsel 1111 W. Mockingbird Lane, Suite 1000 Dallas, Texas, 75247 (214) 634-3800 (214) 634-3889 (fax) Attorneys for OpTel, Inc.

ORIGINAL and ten (10) copies of the foregoing application filed this <u>22nd</u> day of January, 2001, with:

The Arizona Corporation Commission Utilities Division – Docket Control 1200 W. Washington Street Phoenix, Arizona 85007

Copy of the foregoing hand-delivered this 221d day of January, 2001, to:

Lyn Farmer, Chief Counsel Legal Department Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 85007

Deborah Scott, Director Utilities Division Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 85007

Jayre Williams

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January 22, 2001

NOTICE OF DISCONTINUATION OF TELEPHONE SERVICE

Dear OpTel Telephone Customer:

Please be advised that OpTel has determined that it must discontinue the provision of local and long distance telephone service to the property in which you reside effective as of January 31, 2001. As a result, as of that date, OpTel will no longer be available to provide you with local or long distance service.

You will need to make arrangements for other telephone service. OpTel encourages you to immediately make plans to transfer your OpTel local and long distance telephone services to the alternative service provider of your choice. Although you may transfer your telephone services to the alternative provider of your choice, in the event you would like Qwest, the incumbent local telephone company, to be your new provider, you should order the transfer of your service from Qwest by calling 1-800-244-1111. Of course, OpTel will cooperate with your chosen service provider in the transfer of your telephone service.

Any deposits or refunds that may be due to you from OpTel will be sent to you approximately 30 days following the discontinuation of your telephone service.

OpTel plans to file an application with the Arizona Corporation Commission (ACC) to discontinue telephone service and will request consideration of such application on an expedited basis. Telephone service will be discontinued immediately upon the ACC's approval of OpTel's application.

OpTel has also filed an application with the FCC for authority to discontinue service as described above. The FCC will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 15 days after receipt of this notification. Address them to Federal Communications Commission, Washington, D.C. 20554, referencing the § 63.71 Application of OpTel, Inc. Comments should include specific information about the impact of this proposed discontinuance upon you, including any inability to acquire reasonable substitute service.

OpTel has appreciated the opportunity to be your telephone service provider. Please direct any questions you may have to OpTel's Customer Service Department at 800-487-3320.

Sincerely,

OpTel